

EXHIBIT 3



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Diversifying the portfolio of the Tezos Foundation

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The Tezos Foundation currently holds over \$220M worth of bitcoins and ethers. To best serve the interests of the Tezos community, we intend to gradually diversify our position by slowly selling some (but not all) of these holdings over the coming months and purchasing a conservative portfolio of cash, stocks, bonds, and precious metals. This will ensure that our organization is resilient in good times, and bad times.

We strongly believe in the importance and value of cryptographic tokens such as bitcoins, ethers, and of course tez. However, as an organization dedicated to promoting the Tezos protocol, we should strive to make our endowment uncorrelated to this asset class as a whole, or even anti-correlated. When times are good, interest in building applications around these technologies is high, venture capital money flows into exciting new companies and the growth comes naturally. When times are tough, interest can wane and funding can dry up. It is precisely in those times that the foundation needs to be strong, and holding a large portfolio of bitcoin and ether would not accomplish that.

We let people know that we would begin selling some of these assets during the fundraiser. This ensured that moving contributions would not cause worry and confusion for contributors. As it turns out, we didn't sell assets in that period, as our focus was primarily on support and monitoring the safety of the crowdfunding. The multisignature procedure we use requires access to a secure location for spending and several security checks which make it a non trivial affair. Given our interest in minimizing slippage, whatever we might have sold would represent a very small fraction of the contribution received.

Selling too much too fast temporarily depress prices and unnecessarily reduce the foundation's endowment, which is obviously not in the best interest of contributors or the foundation. Our strategy will be to balance the importance of diversification and risk

management with the cost of trading, by making sure that we represent a small fraction of the selling or buying pressure at any time. We will also seek to connect directly with large institutional buyers, which can give us better prices and liquidity than going through exchanges.

Our first trade happened yesterday, when we sold 1,587 ether at a price of \$163.82, netting about 250,000 CHF for the Tezos Foundation.

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